

**TBPOC CONFERENCE CALL
August 27, 2010, 9:00 am – 10:00 am**

Topic	Presenter	Time	Desired Outcome
1. SELF-ANCHORED SUSPENSION (SAS) SUPERSTRUCTURE MITIGATION AND ACCELERATION UPDATE a. ABF Settlement/ Contract Change Order 160** b. BATA Meeting Talking Points*	PMT PMT/ B. Ney	45 min 15 min	Approval Information
2. OTHER BUSINESS			
Next TBPOC Meeting: September 2, 2010, 10:00 AM – 1:00 PM Mission Bay Office, Oakland, CA			

* Attachments

** Forthcoming or to be sent under separate cover

**ITEM 1: SELF-ANCHORED SUSPENSION
(SAS) SUPERSTRUCTURE MITIGATION
AND ACCELERATION UPDATE**

- a. ABF Settlement/Contract Change Order 160
(materials to be sent under separate cover)

Memorandum

TO: Toll Bridge Program Oversight Committee (TBPOC) **DATE:** August 26, 2010

FR: Program Management Team, (PMT)
Bart Ney, Public Information Officer, Caltrans

RE: Agenda No. - 1b
Item- BATA Meeting Talking Points

Recommendation:

For Information Only

Cost:

N/A

Schedule Impacts:

N/A

Discussion:

Attached are three versions of CCO 160 Talking Points developed for the forthcoming BATA meeting.

Attachment(s):

- 1) Draft CCO 160 Talking Points (BN)
- 2) Draft CCO 160 Talking Points (DN)
- 3) Draft CCO 160 Talking Points (JG)

DRAFT

CCO 160 Talking Points

Statement

The Toll Bridge Program Oversight Committee has reached an agreement with American Bridge/Fluor, the contractor for the main span of the new Bay Bridge. This agreement addresses outstanding contractor claims as well as a proposal to accelerate remaining work and open the new bridge to traffic by late 2013. Costs associated with this agreement will utilize available contingency funds. This action by the TBPOC represents effective risk management by resolving issues at a cost that is consistent with numbers forecasted by the project team and reported to the State Legislature.

Background

The effort to retrofit the Eastern Span of the San Francisco – Oakland Bay Bridge is one of the most complex and challenging public infrastructure projects in the history of both California and the United States.

The Eastern Span of the Bay Bridge is being completely rebuilt with new structures that incorporate the latest in seismic design technology. The Eastern Span was broken up into several large projects to allow work to be performed by more contractors and reduce bid prices. The resulting corridor of projects requires coordination between the teams working on their individual contracts.

A corridor wide Risk Management team was developed to manage risk related to all of these projects. This team forecasts costs associated with the risk items identified in an effort to resolve problems at the earliest possible opportunity.

A contingency fund was developed at the same time the Eastern Span budget was allocated that would both address the risk items identified by the Risk Management team and allow the Project Team to streamline and improve the project as opportunities presented themselves.

The contingency fund exists as a means to address items that can not be quantified at the time the project goes out to bid such as: design modifications, production or site challenges, accelerating work, site improvements and other opportunities that benefit public safety.

Contract Change Order 160

The SAS is a complex bridge that has had several challenges during construction. The Bay Bridge team has met each and every one of these challenges, resolving issues related to them with efficiency while maintaining a primary focus on both quality and safety.

Resolution of these issues has taken time, and the original project schedule is currently extended beyond desired completion dates.

This change order accelerates work, allows key logistical solutions such as collocation for engineering staffs and creates an incentive/disincentive program relating to critical schedule dates in order to recapture some of the time it has taken to resolve these issues. The key elements are:

1 - resolution of outstanding claims. This resolves outstanding cost risk to both the Contractor and the Program in a fair manner. This will allow the project team to focus its attention on rapid completion of the project. This has a cost of approximately \$120 million.

2 - cooperative development of a plan and schedule to reach bridge opening in late 2013. This includes acquisition of additional material and labor required to accelerate work. This has a cost of approximately \$20 million.

3 - implementation of incentives and disincentives. Incentives are powerful tools and will be utilized to encourage the contractor to reach the desired bridge opening goal. These incentives are offset by prudent disincentives that will apply in the event of late completion. This has a potential cost of up to \$40 million to the project and a potential cost of up to \$25 million to the contractor.

Although resources will be moved from the contingency fund for this change order no new funding is currently needed for the bridge. The project budget and the contingency funds have the resources required to deliver the project. The contingency was intended for uses exactly like this.

DRAFT

CCO 160 Talking Points

Statement

The draw down on contingency funds to facilitate Contract Change Order 160 represents effective risk management at a cost that is consistent with numbers forecasted by the project team.

Background

The effort to retrofit the Eastern Span of the San Francisco – Oakland Bay Bridge is complex and challenging, and without a doubt, the most unique public infrastructure project in the history of both California and the United States.

The Eastern Span of the Bay Bridge is being completely rebuilt with new structures that incorporate the latest in seismic design technology. The Eastern Span was broken up into several large projects to allow work to be performed by more contractors and reduce bid prices. The resulting corridor of projects requires coordination between the teams working on their individual contracts.

A corridor wide Risk Management team was developed to manage risk related to all of these projects. This team forecasts costs associated with identified risks in an effort to resolve problems at the earliest possible opportunity.

The contingency funds approved for the Eastern Span address the risk items identified by the Risk Management team allowing the Project Team to streamline and implement project changes as opportunities present themselves.

This contingency fund exists outside of the project budget. The Project Budget is meant to address the direct costs associated with designing, fabricating, building and ultimately delivering the bridge to public service. The contingency fund exists as a means to address items that can not be quantified at the time the project goes out to bid such as: design modifications, production or site challenges, accelerating work, site improvements and other opportunities that benefit public safety.

Contract Change Order 160

This Change Order restructures the Self-Anchored Suspension Span (SAS) contract of the New Eastern Span of the Bay Bridge to improve the ability of the contractor and owner to deliver the bridge to public service in 2013.

Due to its uniqueness and complexities delivering the SAS contract has proven to be a challenge. The Bay Bridge team has met each and every one of these

challenges, resolving issues while maintaining a primary focus on both quality and safety.

Achieving the primary goal of opening the eastern span of the bay bridge to the public as soon as seismic safety is attained is a balancing act. Innovation and creativity have to fall within parameters some of which are very straight forward and some of which are not. Delivering the best product has taken its toll on time.

This change order allows key solutions relating to critical schedule dates in order to recapture some of the lost time.

Although resources will be moved from the Program contingency fund to resolve issues and pay for improvements on the SAS contract no new funding is currently needed for the Toll Bridge Seismic Retrofit Program.

DRAFT

CCO 160 Talking Points

Statement

Contract Change Order 160 restructures the Self-Anchored Suspension Span (SAS) contract on the Bay Bridge East Span replacement project to improve Caltrans' and the contractor's ability to open the new bridge to public service in 2013. The \$185 million (?) draw on contingency funds to execute the change order is consistent with forecasts that have been made for months by the project team. There is enough money in the project budget and the contingency fund to deliver the project. No new funding is required.

Background

The \$900 million contingency fund was established at the same time the budget for the East Span replacement project was allocated. This was done to address the risks identified by the Risk Management team and to allow the project team to take advantage of opportunities to streamline and improve the project.

This contingency fund is separate from the project budget, and was established to cover potential costs that could not be quantified at the time the project went out to bid. These include design modifications, production or site challenges, accelerating work, site improvements and other opportunities that benefit public safety. The project budget encompasses direct costs associated with designing, fabricating, building and ultimately delivering the bridge to public service.

The East Span replacement project was broken up into several large contracts projects to allow work to be performed by more contractors and reduce bid prices. This requires coordination between the teams working on their individual contracts. A corridor-wide Risk Management team was formed to forecast costs associated with the risk items identified in each of the separate contracts and to resolve problems as early as possible.

Contract Change Order 160

The complexity of the SAS project has led to both design and production challenges. By maintaining the focus on public safety while meeting these challenges, schedule time has been lost. The contract change order was executed to recapture some of this lost time by accelerating work, allowing for key logistical solutions such as co-location for engineering staffs, and creating an incentive/disincentive program relating to critical schedule dates.

ITEM 2: OTHER BUSINESS

No Attachments